

A. TRANSDUM FOR: John

Herewith as promised. I have not sent
copies to anyone but you may wish to share
it with SRP and John McMahon.

Dick Lehman

Date 15 October 1981

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

103

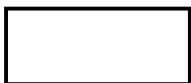
National Intelligence Council

NFAC #6547-81

14 October 1981

MEMORANDUM FOR: Director, Intelligence Community Staff

SUBJECT : Evaluation



1. You asked me a couple of weeks ago for my thoughts on what an evaluation mechanism should look like, giving me as a starter the DDCI's marginal comments on a series of questions you put to him. In responding, I am assuming, therefore, that what is wanted is an institution devoted to continuing but selective review of the Community's finished intelligence product against established or perceived criteria. Its efforts will on occasion include post-mortems, i.e., post facto reviews of Community performance in stressed situations (crisis or failure). This institution will report to the DCI and DDCI, carry out a program approved by them, and make recommendations for improvement based on its findings. It should be small and bureaucratically modest if not inconspicuous, and should not be seen as interfering in or hampering program management.

2. I also assume a corollary. An element that is not only to review finished product but also to recommend improvements must uncover the roots of the problems it pursues. This means that it must be forced to deal with the raw intelligence input to finished product, with the process by which the latter is assembled and, inevitably, the former is collected. Thus your evaluation institution must have a broad charter indeed, although to be realistic there will always be areas and operations from which it will be excluded. Moreover, such a charter should not be interpreted too literally. Your evaluation element should focus primarily on product, and only go beneath when this is obviously necessary.

3. To carry out its responsibilities this institution must have:

- Credibility, both in the DCI's realm (NSC, PFIAB, Congress, conceivably the public) and among Community offices whose work it is to review.
- Access, based on the DCI's authority, to raw and finished product across the Community and to the officers of all agencies responsible for production, processing, and collection.

- Expertise in most of the disciplines of the intelligence profession and in all of the major substantive problems it faces.
- Experience in national security affairs and in bureaucracy generally.
- Wisdom in the ways of the world and of intelligence officers in particular.
- Objectivity and therefore detachment from direct responsibility for other Community activities.

4. Combining all these qualities in an organization which is to be, one hopes, non-advisorial is a tall order. Objectivity requires a separation from Community affairs; expertise requires a close familiarity with them. Credibility and access cannot be achieved without clout; those with clout may have experience and wisdom, but are unlikely to have current expertise. Credibility with and access to personnel whose work is to be reviewed require their confidence to evoke their candor; confidence can be built by expertise, wisdom, and sympathetic understanding. Credibility with the judging audience, however, depends on reputation, objectivity, and a willingness to be blunt in criticism; in a bureaucracy this triggers the protective mechanisms that kill candor.

5. All of these contradictions are heightened by the necessity -- and desirability -- of keeping the operation small. To bring together the necessary expertise, experience, and wisdom across the range of Community production could require a battalion. Equally important is that those who are involved must do the work themselves. Anything more than a minimal staff will proliferate and acquire a momentum of its own.

6. Past ventures in the evaluation field have failed primarily because they presumed. They were seen as adversarial by the producing organizations, partly because they concentrated on failure, partly because most of them were viewed as amateurs judging professionals, partly because ex cathedra judgments were emitted without prior consultation. In their view, prior discussion of judgments would have subverted the detachment that these evaluation organizations were supposed to preserve. In my view, it would also have avoided the nonsense that led to a loss of credibility.

7. What should one not do?

--



- Don't write any comprehensive studies, unmanageable and unreadable. These will inevitably have as conclusions sweeping generalities that are usually misleading and often just plain wrong. They lose credibility as they gain in length. Stick to a relatively few carefully defined, relatively narrow topics of substantial importance, work them thoroughly, and make specific recommendations. (Although SRP's study of NFAC production was remarkably good.)
 - Don't let the evaluation effort take place on the parapet of the ivory tower. It is possible to sit in an embrasure gazing at the analytic countryside and write gratuitous critiques that sound sophisticated and knowledgeable, but have little to do with the realities of peasant life. One sneer can undo a year of confidence-building. You have to get your hands dirty. You have to be separate from the analytic process, but you have to be accepted as a part of it, too. It's a neat trick.
8. The foregoing discussion should provide a basis for designing from scratch an evaluation organization and specifying its mission and functions. I could do so here, but I think an abstract effort would be waste motion. Theory is grey, but the tree of life is green. The DCI already has an evaluative instrument in the Senior Review Panel, and I would rather start with that.

9. The SRP in many ways meets the desiderata suggested here. A small group of very senior people with a variety of backgrounds, who by their reputations carry credibility and by their personalities are willing to get their hands dirty, have to some extent built for themselves the objective yet non-advisarial position that you should seek. The SRP has not hesitated to criticize, sometimes severely, sometimes gently, sometimes with reason, sometimes unjustifiably, but in general firmly and sensibly. It is respected and has been effective in the projects it has undertaken. It has suffered, however, from a lack of consistent guidance and backing and from the natural limitations on what its members acting collegially and with minimal staff support can do. Its access to NFAC is virtually total, but its access to the other agencies is extremely limited and must be negotiated each time it is required. This has lead to an overconcentration on NFAC (and NIC) product, perhaps in the absence of comparison hypercritical, but exceedingly valuable all the same. To put it bluntly, it makes no sense whatsoever to create another mechanism under the DCI when the SRP exists.*

* One could go the other way: leave the SRP in NFAC (or in the NIC) and focus its efforts on pre-publication critique, but this would mean starting all over again. Moreover the critique of estimates at least could become redundant as the NIC acquires its NIOs-at-Large.

10. A lot needs to be done with the SRP, however.

- I would strongly recommend that it be moved organizationally out of NFAC. It cannot hope to have the requisite standing in the Community if it remains "part of CIA." It could be placed directly under the DCI/DDCI or in your staff. I understand the reluctance to have too many miscellaneous units reporting to the front office, but in this case it is highly desirable. First, the job is not only important but highly visible, especially to Congressional Committees who seem to hold the DCI personally responsible. Second, placement in your shop unfortunately carries an adversarial overtone that I doubt can be overcome. All the (failed) efforts of the past were run out of ICS, and this will be remembered. You do have the responsibility, however, and attachment to your staff would be second best. In either case, it would be important to make the link to the DCI conspicuous and active. Only the DCI can make this a serious relationship.
- Whether in your staff or not, I would leave SRP at Langley. While it is true that this would tend to perpetuate the idea that SRP is part of CIA, its comments and stature demonstrate its independence. Its vigor and effectiveness derive to a considerable extent from the ready osmotic flow of information and ideas among its members and those of NFAC and the NIC, and its ready access to working-level Community offices coming to Langley for substantive purposes. Installing it at CHB, would be satisfying to the doctrinaire, but it would render the effort sterile and set in motion a demand for increased staff that would be hard to resist. The SRP must be a parasite if it is to remain small and therefore acceptable. If it must, make the best of it and leave it where it is, but demand that its members spend some of their time at the Pentagon, State, and Ft. Meade. They should also from time to time get out to the field.
- The present mix of SRP membership is about right, although other combinations of skills and experiences would work as well. I would certainly avoid allowing it to be dominated by professional intelligence officers, but it needs both professionals and outsiders.
- The Panel generally works as a collegium, and works well that way. Perhaps it is the only way that people of the standing and expertise we want can work together, but it is sometimes wasteful and awkward. It is wasteful because the SRP could cover a great deal more ground if all its members did not have to be engaged, if only pro forma, in every investigation. (I overstate here: its members do split up tasks.) It is awkward because management must

deal with four individuals who may not themselves agree. You should give some thought to having a primus inter pares, although you would run the risk of losing some of the present membership [redacted]

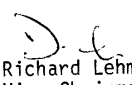
- A Panel of limited size cannot bring together all the experience and knowledge necessary to deal with the full range of national intelligence problems. To the extent it is composed of outsiders, moreover, it will not know where the bodies are buried. I would supplement it with a reserve, a roster of retired professionals, fully cleared, who could be brought in in twos and threes to support individual investigations. There are any number of Agency retirees available; the problem would be to maintain a balance by finding comparable talent from other agencies. This might not be as easy.
- People of the kind I have in mind would normally be willing to roll their sleeves up, but in major projects a great deal of leg-work will be required that they are in no position to do. The Panel should therefore be able to borrow working-level talent, even-handedly, from the Community. Its permanent staff should have one senior officer of real standing experience, imagination, and energy as a kind of executive director, ideally supported by one officer each from CIA, DIA, NSA and INR. This would, however, go beyond the size of organization the DDCI has in mind. Failing that, the Panel should have designated peg-points in the front offices of each of the unrepresented agencies. It should be able to command the DCI's backing in drawing on all agencies for help when it is needed. (This might need specific NFIB blessing for each major project.)
- While I would hate to give up the Panel's comments on estimates in process -- they are succinct and telling -- there is a question of principle: should a Panel formally designated as a Community review mechanism under the DCI be involved in the process whereby the material it is to review is formulated? Quis custodiet ipsos custodes? The difficulty might be reduced by engaging Panel members in the estimates process only as individuals, as we are already increasingly doing in the NIC's own "panel system."
- A neat balance will be required between detachment for the sake of objectivity and involvement for the pursuit of understanding. I think that on some projects the SRP has overemphasized detachment. The organization I have in mind cannot work just with the paper record, nor should its findings be issued ex cathedra. A great deal of

discussion among working analysts, their managers, and Panel members will be called for, both in fact-finding and in testing conclusions before casting them in bronze.

-- The Panel, or any evaluation mechanism for that matter, will be an alien body in the Community fabric. It could be the grain of sand around which the oyster makes a pearl, or it could be the carcinogen that makes a cell begin to grow in unusual ways. To make sure we are dealing with the oyster, we must not only achieve the necessary standing and credibility, but we must also delineate boundaries carefully. A Panel of the kind I envisage will march on its north with the program review responsibilities of your staff, on its east with the inspectors-general of the various agencies, on its south with the production review elements of those agencies, and on its west with PFIAB if the latter, God help us, should acquire an activist staff. Overhead, meanwhile, flutter SSCI and HPSCI. A judicious system of treaties and alliances should be considered.

-- Once you decide the general direction you are going, but before you actually do anything, I would schedule an NFIB discussion. You will need the principals' enthusiastic support.

11. One final thought is in order. When there has been an "intelligence failure," I have always found that the closest thing to the truth can be had from the analysts who were responsible. The best ones can and are willing to be devastatingly honest about what went wrong and how it can be fixed if they can be assured that there is no search for scapegoats, but only for improvements, and if they do not have to associate themselves with agency institutional positions. This technique might be extended to broader questions of production. A series of carefully constructed seminars, hedged about with fever-trees and anonymity, might get even NSA people to level.


Richard Lehman
Vice Chairman